

ARTICLE APPEARED
ON PAGE 9-C

BALTIMORE SUN
17 September 1985

UPI union unit offers to buy troubled news service

WASHINGTON (AP) - The United Press International unit of the Wire Service Guild offered yesterday to buy UPI, either by itself or in partnership with one of several other prospective purchasers.

Other bidders include an Indianapolis publisher, a Houston developer and a former CIA official.

The Guild unit, which represents 750 domestic UPI staffers, said it submitted an offer "in order to eliminate any anxieties and uncertainties about the company's future for its customers, creditors or shareholders, and the employees, including management."

Dan Carmichael, an officer of the

Guild, said no union money would be used in any purchase of UPI. Instead, he said, the "Guild is acting on behalf of UPI employees as independent people." He declined to say where the money would come from to finance the Guild bid.

UPI is reorganizing under Chapter 11 of the federal bankruptcy act.

UPI Chairman Luis Nogales, in a prepared statement, said: "We have received numerous expressions of interest from various parties. We are most encouraged by the response and interest to date."

"Confidentiality continues to be essential, and therefore we do not plan to make further comment until

we are further along with the selection and negotiation process."

Bidders who have acknowledged making offers include Beurt R. SerVass, an Indianapolis businessman and chairman and controlling stockholder of Curtis Publishing Co., which owns several magazines, including the *Saturday Evening Post*.

Others include Joseph Russo, a Houston developer, and Max Hugel, a New Hampshire businessman who served briefly as deputy director of the Central Intelligence Agency. Mr. Hugel, a campaign backer of President Reagan, left the agency early in the administration.

The Guild, like the other bidders,

declined to disclose details of its bid for UPI, including its size. Last spring, an initial offer by Mr. SerVass, then the only suitor, was said to be \$14 million to \$20 million.

William Morrissey, president of the union, said the proposal was worked out during a weekend meeting of the union's executive committee and "reflects the continuing commitment of the Guild's employees, demonstrated by their many past sacrifices, to a strong, dependable, efficient and viable organization and system."

Guild members at UPI have made

several wage and benefit concessions to the company, but they threatened a strike when management sought to have the bankruptcy court void its labor contract earlier this year. Mr. Nogales dropped that request last week.

In Indianapolis, Mr. SerVass said he is confident that a group he heads will be found to be "financially reliable and qualified" to buy UPI, and he vowed to make UPI "a good competitor to the Associated Press in every sense of the word."

"We don't want to skinny down," he said. "We've lost some good people. We're going to have to recruit some good people."

An aide to Mr. Russo, Russell Rau, said the Houston group "wants to do precisely what is going to be in the best interests of UPI." Asked about reports that Mr. Russo had stipulated that UPI move its headquarters from Washington to Houston, Mr. Rau said, "That never was a stipulation."

Mr. Hugel, now chairman of Max Cell Telecom Plus and Max Huge Enterprises, could not be reached for comment yesterday. Aides who answered calls to his offices in New Hampshire and Washington said he was observing the Rosh Hashanah holiday in privacy.